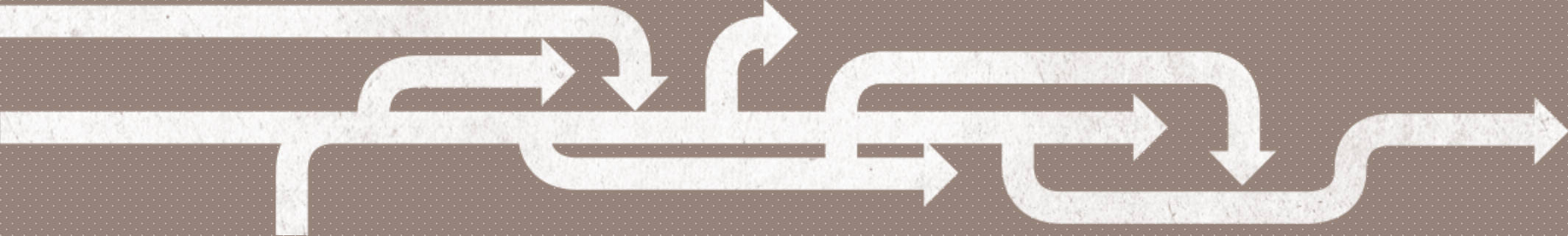




BCREA Managing Brokers Research

Informing the Managing Brokers Roadmap for 2022-24

January 25, 2023



Agenda

01

Background & Approach

02

The Role of Managing Broker

03

Changes and Challenges

04

Existing Supports

05

Supporting Managing Brokers Better

06

The Role of BCREA and Other Organizations

07

Summary of Key Insights

01

Background & Approach

Recognition



This project is made possible with funding by the Real Estate Foundation of British Columbia.

The Real Estate Foundation of BC is a philanthropic organization working to advance sustainable, equitable, and socially just land use and real estate practices across BC.

Project Objectives



Research existing resources and initiatives currently being undertaken to provide support for Managing Brokers.

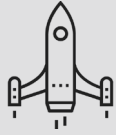


Conduct a needs analysis with industry stakeholders, including Managing Brokers and Associate Brokers, as well as a SWOT analysis.



Create a roadmap for the development and delivery of Broker supports/services for 2022/24, in consultation with BCREA's Professional Services Team.

Summary of Approach



Phase 1:
Project
Kick-Off

01



Phase 2:
Environmental
Scan

02



Phase 3:
Needs-Analysis
Qual

03



Phase 3a: In-Depth Interviews

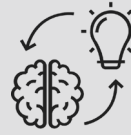


Phase 3b: Virtual Focus Groups



Phase 4:
Needs-Analysis
Survey

04



Phase 5:
Roadmap
Workshop

05

Various Sources



Environmental Scan

Interviews with 11 stakeholders and review of documents provided by BCREA.



In-Depth Interviews with the Profession

22 interviews with participants who classified as a Managing Broker, Member Board and/or Franchise.



Focus Groups with the Profession

6 focus groups with 29 participants who classified as a Managing Broker or Associate Broker.



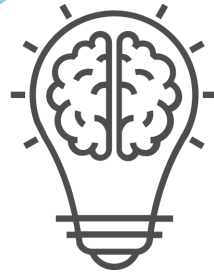
Online Survey with the Profession

183 respondents who classified as a Managing Broker, Associate Broker, or Non-managing Brokerage Owner.

Throughout the above icons are used (shown in the top left corner) to indicate the specific phase(s) from which the insights on the slide were gathered.

02

The Role of Managing Broker



When considering what's needed for Managing Brokers to be able to do their job, skills and knowledge relating to **policy** and **procedure compliance** are seen as particularly important, followed by **coaching, mentorship** and **training**.

Good Managing Brokers are seen as keen learners, adaptable, and empathetic to the needs of **REALTORS®**. Top indicators of whether a Managing Broker is successful are **knowledgeable REALTORS®** and **REALTORS® who feel well supported**.



Skills & Knowledge Managing Brokers Need To Have

Brokers see procedure and policy compliance as the most important area to be skilled and knowledgeable in, followed by coaching, mentorship and training.

Showing top 10, %s





In Their Words: Skills & Knowledge Managing Brokers Need To Have

“You need a very good balance of being a sort of compliance manager, as well as being one that is engaging and that mentors and is available without making agents feel stupid.”



Managing Broker,
Franchise

“I think you have to put others before yourself, so you have to really genuinely want to see people succeed.”



Managing Broker,
Franchise

“It's the soft skills of listening, compassion, understanding, just patience.”



Managing Broker/Director,
Franchise

“I think a good Managing Broker is a very steady individual. You know, a rather calm personality. Interested in continual learning. Because we are in a dynamic industry that constantly is changing, both on the legal side, the regulatory side, and compliance side. And if you don't have an interest in being current and up to date, you probably wouldn't be a very good Managing Broker.”



President/
Managing Broker,
Independent



Indicators of Success for Managing Brokers

2-in-3 view knowledgeable REALTORS® as a top indicator of success for a Managing Broker. This is followed by REALTORS® that are well supported, as well as having a good reputation within the profession.

Showing top 10, %s





In Their Words: Managing Broker Influence on REALTORS®

“Well, I would suggest it's an enormous impact. The Managing Broker carries a supervisory role on many, many different levels.”



President/
Managing
Broker,
Independent

“There's two distinct tasks that can be taken: one, the Managing Broker is setting the tone and, sort of, the rhythm of the office, setting the professional tone of the office and inspiring and holding agents to account. And the other potential role is [...] basically to just help the agents facilitate their deals and stay on side with the regulator. So it's very divergent roles that I've seen different managing brokers take.”

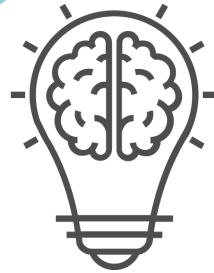


Managing
Broker,
Franchise

“Well, I think it's the most critical position in a brokerage; they're the leader there. The individual that sets the policy.”



Managing
Broker/Director,
Franchise



Thinking about how Brokers spend their time on different activities, there is **a gap** between how they currently divide their time and how they would want to spend their time in an ideal world.



















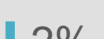

They want to spend more than a quarter of their time **educating** and **providing support** to REALTORS® – but **they can't** do this currently. They would like to **spend significantly less time on sales activities** and **administrative work** than they currently do.



Time Spent on Different Activities

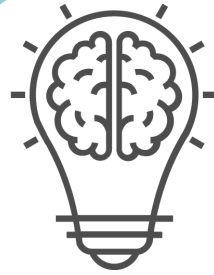
Showing mean %s

Brokers spend the most time training and supporting REALTORS®, though still less time than they would like. The largest discrepancy in terms of how they wish to be spending their time and how they currently spend it lies in **sales**, with Brokers, on average, spending 8% more of their time here than they would in an ideal world.

	Current	Ideal	Difference
Educating and providing support to REALTORS®	 21%	 26%	-5%
Sales	 18%	 10%	+8%
Personal training /development and self	 18%	 14%	+4%
Policy and Procedure creation and brokerage compliance	 10%	 9%	+1%
Preparing and holding office meetings	 8%	 10%	-2%
Administrative work	 6%	 6%	0%
Accounting/finance	 6%	 7%	-1%
Marketing/business development	 6%	 9%	-3%
Human resources	 5%	 7%	-2%
Other	 2%	 2%	0%

03

Changes and Challenges For Managing Brokers

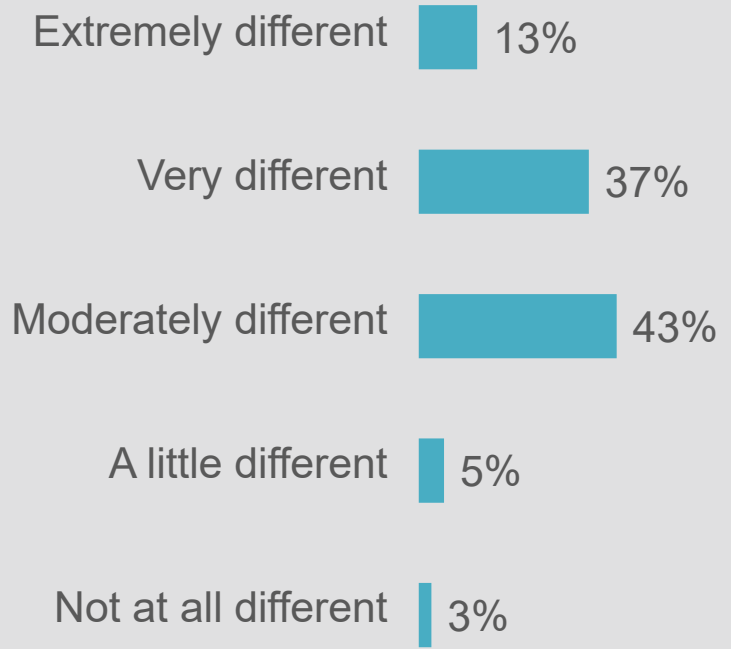


Half of Managing Brokers say the **role is now very or extremely different** than five years ago.

Few feel that Managing Brokers have adapted very well to these changes.

Degree of Change Experienced by Managing Brokers Past 5 Years

Showing %s



"I've been [...] a Managing Broker for 25 [years]. When I got into the business, the contracts were three pages long. Back then I could handwrite a contract off of memory of every clause that was required. So you could focus on a lot of things about the consumer, about the actual product. Today, if a consumer writes a contract on a property, we will have somewhere between 50 and 70 pages that we have to go through [...]. So the amount of knowledge that's required just from the contractual perspective is huge."

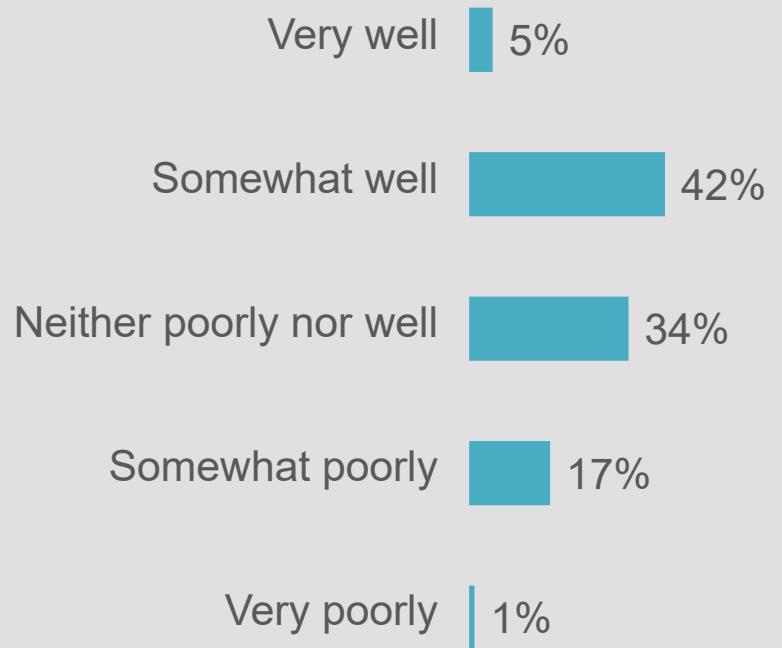
Managing Broker/Owner, Franchise

"There's been a real shift; we've had an avalanche of stuff coming onto us, onto this group. And we've been in more of a survival mode versus looking out into the future."

Managing Broker, Franchise

How Well Managing Brokers Have Adapted to Change

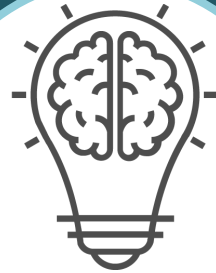
Showing %s



Among interview and focus group participants, opinions are **more mixed** about how well Managing Brokers have adapted to a changing landscape.

Some feel that Managing Brokers are competent and have adapted well, while others feel Managing Brokers have struggled. Several participants feel that **smaller brokerages have struggled more** than larger brokerages, as they are more limited in resources and personnel.

Those who view Managing Brokers as struggling blame this on the challenges they face (not the Managing Brokers themselves) – these include the need for constant learning and adaptation, too much on their plate, ever changing rules/regulations/FINTRAC.



Managing Brokers feel **most confident** in their skills and knowledge relating to the **purchase/sale of real estate** and **contract administration**.

However, they feel **much less** skilled and knowledgeable in relation to finances, HR, cultural, emotional and diversity intelligence, marketing, and business development.

Procedure and policy compliance is identified as the key area Managing Brokers need to improve their skills and knowledge.



Areas Managing Brokers Feel Skilled & Knowledgeable In (Pt. 1)

Showing top 2 box, %s

■ Strongly Agree ■ Somewhat Agree

Brokers feel most skilled and knowledgeable in the purchase and sale of real estate. This is followed by contract administration. Beyond this, around half of Brokers strongly agree they feel confident in the real estate market, client satisfaction, negotiation, and procedure and policy compliance.





Areas Managing Brokers Feel Skilled & Knowledgeable In (Pt. 2)

Showing top 2 box, %s

■ Strongly Agree ■ Somewhat Agree

Brokers feel least confident in their skills and knowledge relating to human resources, cultural, emotional, and diversity intelligence, marketing, business development, and finances.



A2. In your current role, please rate how much you agree or disagree with the following statement for each of the following areas: I feel confident that I am skilled and knowledgeable in... Among all, 183n.



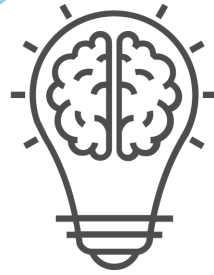
Perceived Skills & Knowledge Gaps

Showing top 11, ranked by 'For all Managing Brokers', %s



Though showing confidence in the area, improving skills and knowledge relating to **procedure and compliance** is most commonly mentioned by Brokers when thinking about both themselves and Managing Brokers across BC.

A greater proportion see need to improve their own **legal** skills and knowledge than they think Managing Brokers at large need to.



High liability and risk, high volume of **new policies/regulations**, and **FINTRAC** compliance place the **most strain** on Managing Brokers.

Low compensation for what is required is seen as a significant strain, as well as a barrier to Associate Brokers and others from entering the role.



Areas of Particular Strain on Managing Brokers

Showing top 12 ranked by 'extreme & big strain (net)', top 2 box, %s ■ An Extreme Strain ■ A Big Strain

The evolving legal landscape is seen as presenting the largest strain on the role with over 2-in-5 Brokers classifying the high liability and risk, the high volume of new policies/regulations, and FINTRAC compliance as *extreme* strains.





In Their Words: Barriers to Becoming a Managing Broker



Associate Brokers engaged via a focus group cited **low compensation** paired with a **highly stressful role** as the main reason why they lack interest in becoming a Managing Broker – mirroring responses heard in the survey. Those who do aspire to become a Managing Broker seek to improve the industry and are motivated by opportunities to mentor and expand their knowledge.

"I can't find a brokerage to manage. Not sure I want the responsibility as the financial payoff isn't that rewarding beyond my existing sales performance."



Associate Broker,
Franchise

"Not enough compensation. I make more selling real estate."



Associate Broker,
Franchise

"Reduction of income, massive workload for little pay."



Associate Broker,
Independent

"I have managed my own office and as back up for a large office... liability is the biggest barrier."



Associate Broker,
Franchise

04

Perceptions of Existing Supports for Managing Brokers

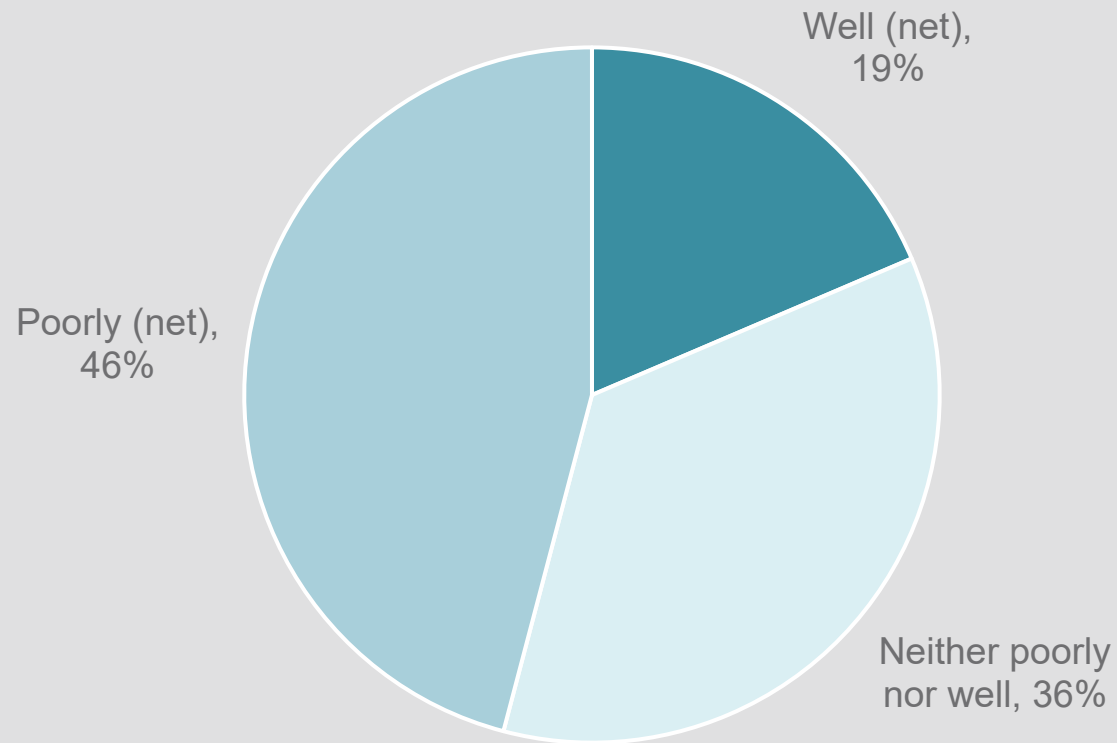


Opportunity exists for the real estate profession to **better meet the needs of Managing Brokers** as few Brokers feel that their needs are being met well.

BCREA Professional development courses/programs and **BCFSA continuing education courses** top the list of helpful resources to the role, although there is room for these to be seen as even more valuable.



How Well Managing Brokers' Needs Are Being Met



There is significant room for the real estate profession to better meet the needs of Managing Brokers.

Nearly half of those asked indicate that Managing Brokers' needs are being met somewhat poorly (32%) or very poorly (14%).



In Their Words: Are Broker Needs Being Met?

No

“Definitely not for new Managing Brokers, that’s a given. That’s not being met.”



Managing Broker,
Franchise

“No. [Resources] are available, like they’re slowly starting. When I started 10 years ago, all the Brokers had to take courses. And all the courses were how to be a good licensee.”



EO,
Board

Yes

“I would say if the Brokers knew of all the resources and used them – there is a lot available. but you know, [...] in the current world of [...] information overload, [...] some of it gets lost.”



President/
Managing Broker,
Independent

“Yeah, I think they are. I’m of two opinions. I think that organized real estate has done too good a job of leveling the playing field. And that I as a Franchisor am not terribly happy about that.”



VP,
Franchise



How Beneficial Current Resources Are (Pt. 1)

Showing 'very beneficial' & 'extremely beneficial' net, %s

Courses and classes are viewed as beneficial resources to the Managing Broker role by just under half of Brokers, with BCREA and BCFSA topping the list. The Standard Forms Resource Centre and Community of Practice are also highly endorsed.





How Beneficial Current Resources Are (Pt. 2)

Showing 'very beneficial' & 'extremely beneficial' net, %s

Resources offered by CREA, REBA, and the BCREA InformBot are seen as less beneficial to the role.



“After going through this list, I started to realize a part of the problem is that you need to go to so many different places to get help.”



Managing Broker,
Independent



In Their Words: The Value of Current Resources

BCREA

“BCREA does a Broker Community of Practice. I think that works well. [Brokers] need to have a higher, bigger picture than a licensee [...] and [the CoP] helps them get up there and keeps them thinking in that way.”



EO,
Board

“I think that BCREA is very slow at responding to the current landscape. [...] I think their ideas, what they're doing is really good. They provide a variety of courses. However, they need to update those courses. They need to make them current.”



Managing
Broker,
Franchise

BCFSA

“I took a legal update that was specific for Managing Brokers, and I did find that useful. I've taken a legal update for Realtors, and it was a level higher for Managing Brokers.”



Managing
Broker,
Franchise

“They also have very good contacts that you can just simply phone at BCFSA and that's a continuation of what we had at the Real Estate Council [...] - good guidance from people with experience.”

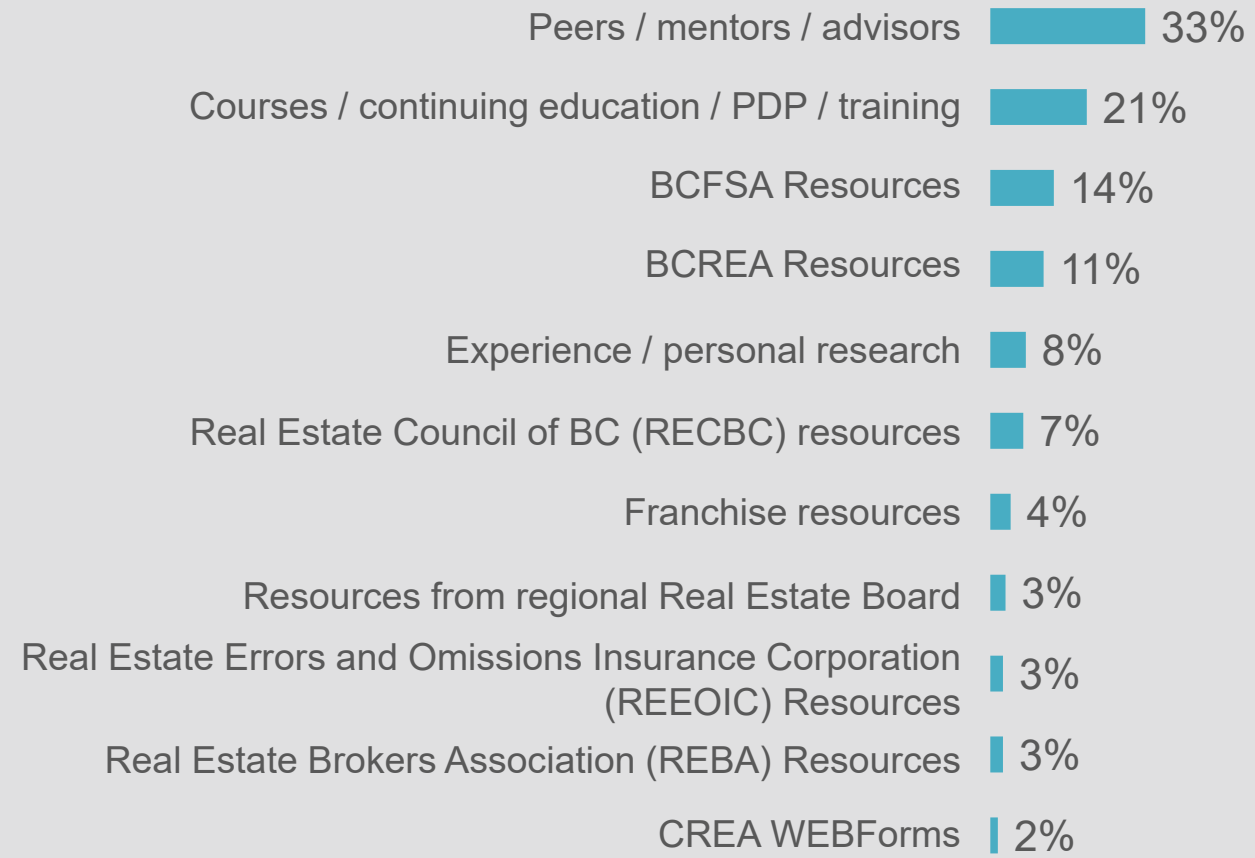


President/
Managing
Broker,
Independent

Most Beneficial / Impactful Resource

Showing %s

Without an aided list, a third of Brokers mention others (peers, mentors, and/or advisors) as the most beneficial or impactful resource or source of development in their careers. This is followed by further education and training.




Among interview and focus group participants, **BCREA**, **BCFSA**, and **CREA** resources were most frequently mentioned as organizations offering helpful resources outside of their own organization.



Opportunity exists to optimize current resources to better meet Managing Brokers' needs. To feel better supported, Managing Brokers seek resources **tailored specifically to their role** and they also want to ensure they are **aware of useful resources that already exist.**



Issues with Current Resources

Showing, %s





In Their Words: Issues with Current Resources

“All of the training that is available through BCREA or BCFSA is focused towards individual salespeople. And there's very little, if any, training for Managing Brokers. And when I say training, I don't mean on the rules and regulations and so on.”



Managing
Broker,
Franchise

“I think [The Knowledge Base] is a bit too cautious from a point of view of a regulator. I think their position is that they can't give complete advice, perhaps on interpreting the rules within the ACT or the regulations.”



President/
Managing
Broker,
Independent

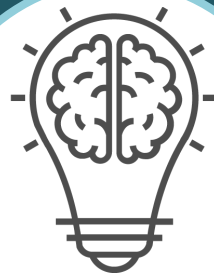
“BCFSA won't answer questions, they say they can't give you legal advice and to talk to a lawyer. There's no support there. It feels very much like you're alone.”



Associate
Broker,
Franchise

05

Supporting Managing Brokers Better



Resources that **ease the search for information** and provide **quick access to answers** are seen as the ideal e.g., a consolidated central hub of resources, an FAQ page, helplines to experts.

Supports that help Managing Brokers **simplify** and/or **standardize processes** in their day, ultimately **saving them time**, are highly desired.

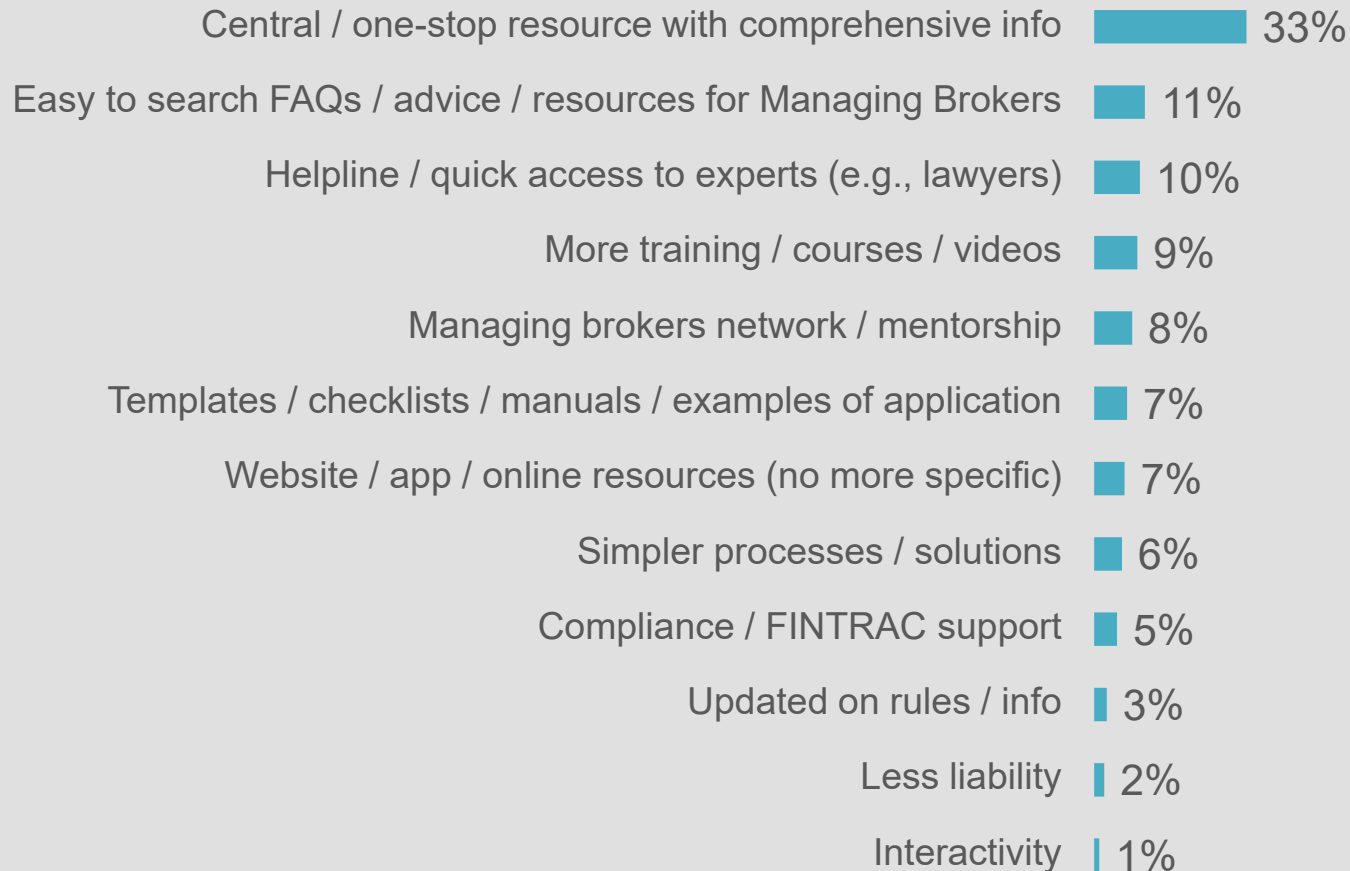
Navigating legal documents and issues, risk management, and fundamentals top the list for areas Managing Brokers want more programs and training in.



Ideal Resources for Managing Brokers

Showing, %s

For a third of Brokers, a central / one-stop resource with comprehensive information is a key element of their ideal resource (unaided). Following this, 1-in-10 describe an easy to search knowledge base or a helpline.



“A centralized resource for varied topics and resource materials.”



Managing Broker,
Franchise

“A website to turn to that has all the information dedicated for Managing Brokers similar to RECBC Knowledge Base.”



Associate Broker,
Independent



In Their Words: Ideal Resources for Managing Brokers

"I would love to see BCREA create a legal position where Brokers across BC can phone in and actually get legal advice. That lawyer would be knowledgeable in how we do business."



Managing Broker,
Franchise

"A Managing Broker specific Professional Standards Advisor that is dedicated simply to Managing Brokers. [...] It has to be done through the association, not through the regulator."



Managing Broker,
Franchise

"If there was some sort of service where Brokers could step in when somebody wants a vacation [...]. For small brokerages, it gets very difficult."



Managing Broker,
Independent

"I try to review BCREA and CREA and the Boards materials and try to keep up to date, but as you can imagine I'm inundated by emails. If there was somewhere where I could log in as a Managing Broker and there's all these resources there for me, that would be ideal."



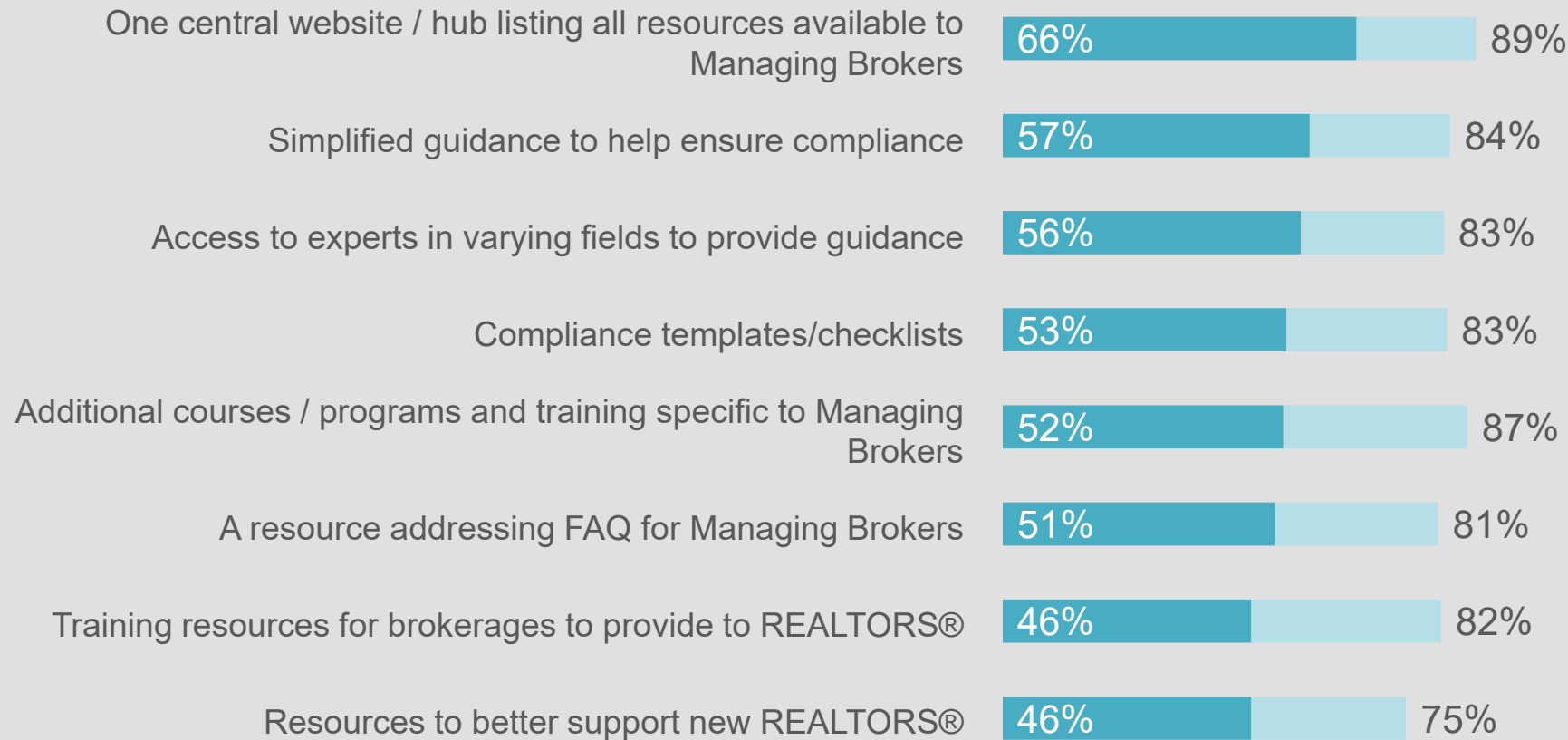
Managing Broker,
Franchise



Interest in Potential Resources for Managing Brokers (Pt. 1)

Showing top 2 box, %s ■ Very Interested ■ Somewhat Interested

Brokers express interest in many of the resources tested. Similar to unaided responses, one central hub for all resources evokes the most interest among Brokers with nearly 9-in-10 expressing interest. In addition to the hub, simplified guidance, access to experts, templates / checklists, Managing-Broker-specific courses, and FAQs all garner top-box interest among at least half of the Brokers surveyed.





Interest in Potential Resources for Managing Brokers (Pt. 2)

Showing top 2 box, %s ■ Very Interested ■ Somewhat Interested

Trial audits / programs for self evaluations as well as involvement and support in recruiting new Managing Brokers garner the least amount of interest among all listed items, however, over half of Brokers surveyed are still very or somewhat interested in such resources.





Managing Broker Specific Programs & Training

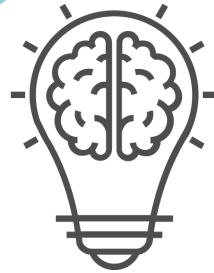
Showing, %s

Among those interested in Managing Broker specific programs and training, over two-thirds seek content surrounding navigating legal documents and issues. Other top areas of interest are risk management, fundamentals, leadership, and FINTRAC.



06

The Role of BCREA and Other Organizations



Email communications and the **BCREA Community of Practice** are **preferred methods of communication** about resources for Managing Brokers – they represent the best channels to increase awareness of supports available.

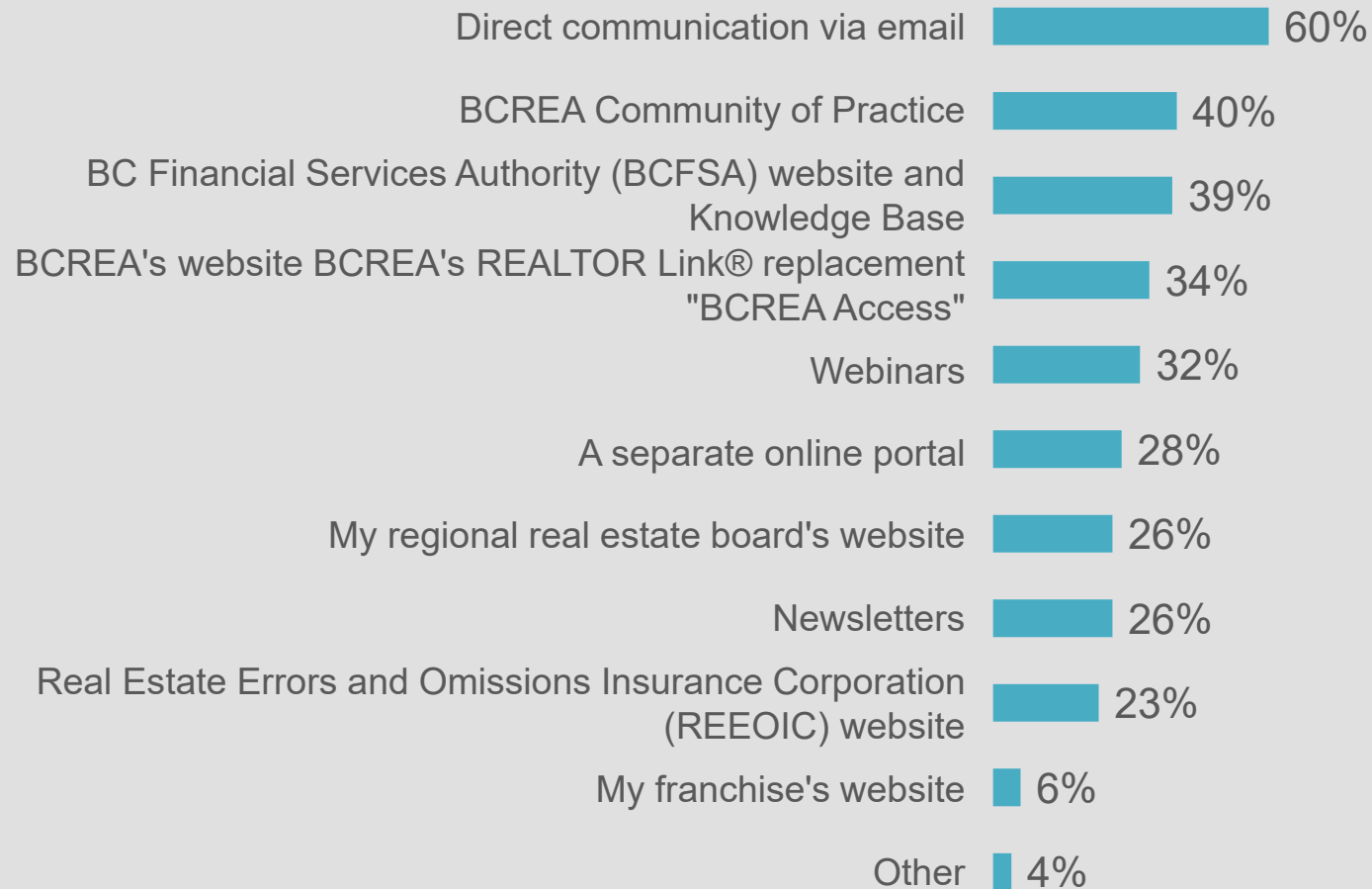
BCREA can play a role in **advocating to the regulator** and **consolidating existing resources into one place** – helping to provide a simplified hub for easy search and access of supports that Brokers seek.



Preferences for Accessing Resources

Showing, %s

Emails are the preferred method of communication and access among 3-in-5 Brokers. This is followed by the Community of Practice and the BCFSA Knowledge Base. Of the channels asked about, franchise websites are of least interest.





Expectations of BCREA's Role

Showing, %s

Just under 4-in-5 Brokers wish to turn to BCREA as an advocate to BCFSA on behalf of Managing Brokers. It is also highly endorsed that BCREA support the role by consolidating existing resources into one central hub, such action will go towards minimizing many of the issues identified with current resources by increasing awareness and ease of search and navigation.



08

Summary of Key Insights

The Role of Managing Broker



Findings

- Skills and knowledge relating to **procedure and policy compliance** are viewed as particularly important and it is also an area where improvement is seen as most needed.
- Top indicators of whether a Managing Broker is successful are knowledgeable REALTORS® and REALTORS® who feel well supported.
- **Staying informed about industry updates and regulation** is seen as key to maintaining success as a Managing Broker.



Implications

- As a starting point, BCREA must ensure it is aware of the supports that are available to help Brokers stay informed of regulation updates and changes.

Challenges Facing Managing Brokers



Findings

- **High liability** and risk, high volume of **new policies/regulations**, and **FINTRAC** compliance place the most strain.
- **Low compensation** for what is required is a significant strain as well as a barrier to Associate Brokers from entering the role.



Implications

- As a first step, acknowledgement of the imbalance between the costs and risks taken on by Managing Brokers, and the benefits of the role, could help Brokers to feel understood and heard.
- Additional supports to help navigate these priority challenges could help to decrease the sense of stress and strain – and in turn, improve perceptions of the role.
- As a consequence, this may improve the likelihood of succession among Associate Brokers.

Existing Supports for Managing Brokers



Findings

- Current resources that are most beneficial relate to furthering education and professional development.
- **Lack of awareness** of existing supports for Managing Brokers and **lack of tailored resources** specific to the Managing Broker role create a sense that support for Managing Brokers is lacking.
- Even those aware of current resources, however, say they have **limited time** to engage with them.



Implications

- Although some Brokers view existing resources as valuable, optimization and communication is needed to **increase awareness and engagement** with these supports.
- More **resources specific to the role** will help ensure that Brokers can **directly apply learnings** to their day-to-day work and help to alleviate the strains of the changing legal landscape.

Better Supporting Managing Brokers



Findings

- Brokers want resources that **ease their search for information**, with quick access to answers that are relevant and tailored to the role.
- A **central hub** for all resources, searchable FAQs, and **helplines** for quick access to experts are commonly desired.
- Navigating legal documents and issues, risk management, and fundamentals top the list for areas for more programs and training.



Implications

- Providing courses and other resources to increase skills and knowledge in law, risk, and fundamentals will help them feel more comfortable and confident in their role.
- Initiating the creation of a central hub for all resources, searchable FAQs, and/or help lines to experts will help ease some of the strain – reducing the time spent searching for answers.

Role of BCREA



Findings

- **BCREA is seen as an advocate for Brokers with the regulator, as well as a potential provider for a consolidated one-stop-resource (seen as the ‘ideal’).**
- **Collaboration with other organizations (including regional boards, BCFSA, REEOIC) is also an area where Brokers see BCREA having impact.**
- **Direct emails and the BCREA Community of Practice are most preferred to receive communications and gain access to relevant resources.**



Implications

- **BCREA can play an active role. Brokers seek consolidation, simplicity, and consistency. Advocating on their behalf will ensure that their needs are being heard and catered to.**
- **Consolidating resources and collaborating with other organizations will ensure supports are consistent and noncontradictory, and easier to access and interpret.**
- **Leverage communication channels most frequently used by Brokers.**

Strengths

- Managing Brokers have a great influence on their brokerage and REALTORS®.
- Managing Brokers feel skilled & knowledgeable in a variety of areas, particularly the purchase and sale of real estate.
- BCREA and BCFSA courses/programs and the Community of Practice are seen as beneficial resources.

Weaknesses

- Sentiment of imbalance between the risks and rewards of the position.
- Gap in perceived skills and knowledge in many areas, notably policy and procedure compliance, coaching/mentoring/training, conflict resolution, and legal.
- Time constraints due to many responsibilities.
- Lack of clarity around rules/regulations.
- Lack of resources required to train REALTORS®.
- Little power over REALTORS® and low REALTOR® retention.
- Low Broker to REALTOR® and staff ratio.

Opportunities

- BCREA is viewed as well-positioned to advocate on behalf of Managing Brokers.
- BCREA is viewed as well-positioned to increase collaboration among real estate organizations.
- There is agreement among the profession that a central hub that consolidates all information and resources will make a large difference to the role, along with easier access to experts in relevant fields (e.g., law).

Threats

- New/increased rules and regulations that place larger responsibility and risk on the role.
- An aging Managing Broker population and low interest in the role from Associate Brokers, translating to lower rates of succession.
- Education and resources overload from a variety of sources with inconsistent information.



Questions & Discussion